

CRANSTON SCHOOL COMMITTEE MEETING

JANUARY 25, 2012

Western Hills Middle School

400 Phenix Avenue

EXECUTIVE SESSION 6:00 P.M.

IMMEDIATELY FOLLOWED BY PUBLIC SESSION

IMMEDIATELY FOLLOWED BY PUBLIC BUDGET WORK SESSION

MINUTES

A meeting of the Cranston School Committee was held on the evening of the above date at Western Hills Middle School with the following members present: Chairperson Iannazzi, Mrs. Ruggieri, Mr. Lombardi, Mrs. McFarland, Mr. Bloom, and Mrs. Culhane. Mr. Traficante was absent with cause.

The meeting was called to order at 6:00 p.m. Moved by Mr. Lombardi, seconded by Mrs. Ruggieri and unanimously carried that the members convene to Executive Session pursuant to RI State Laws PL 42-46-5(a)(1) Personnel; PL 42-46-5(a)(2) Discussion of Teacher A's Agreement; Collective Bargaining and Litigation; (Ahlquist vs. Cranston School Committee), (Contract Negotiations' Update – Custodians, Secretaries, Bus Driver Contract), (Consideration of legal options regarding status of aid to education appropriation and legal advice relating to same).

Call to Order – The Public Session was called to order at 7:00 p.m. The Pledge of Allegiance was conducted and the roll was called. A quorum was present.

Chairperson Iannazzi reported that Mr. Traficante is out of town and unable to make the meeting and is excused.

No votes were taken in Executive Session.

Executive Session Minutes Sealed – January 25, 2012. A motion to seal these minutes was made by Mr. Lombardi, seconded by Mrs. Ruggieri and was unanimously carried.

Minutes of Previous Meetings Approved – January 3, 2012. Moved by Mr. Lombardi and seconded by Mrs. Culhane. The roll was called; all were in favor.

Ms. Iannazzi announced to the public that this evening is a Budget Meeting. She reported that they are all there this evening to discuss the budget which arguably is the most important thing that the School Committee does each year. With that being said, Ms. Iannazzi announced that the committee has scheduled a special meeting to address a resolution to the banner lawsuit and that meeting will take place on February 16, 2012 at 6:00 p.m. here at Western Hills.

Ms. Iannazzi called upon Attorney Cascione to reiterate the fact that

there will not be speakers this evening on non-agenda items. The only speaking this evening will be on Resolution 12-01-12 and the budget.

Attorney Cascione:

Your agenda tonight; there may be some confusion. The only reference to the Ahlquist vs. Cranston School Committee case is in the Executive Session agenda. We don't have public speaking in Executive Session; it's confidential; we basically reported out that there were no votes taken. There is also no agenda item for public speaking on non-agenda items. The law does not require a School Committee body to allow for public forum or an open forum. Since there is no agenda item for public speaking on non-agenda items, that is not required at this meeting.

Chairperson Iannazzi stated that anyone who would like to leave at this time, we will not start our meeting until those people have left.

Mrs. McFarland stated, at this time, that she will not be available for the February 16th meeting due to an obligation that she has outside of her school committee duties. Thank you.

Ms. Iannazzi:

Are there any members of the public present who wish to speak on Resolution No. 12-1-12. There being none, a motion was made by Mr. Lombardi and seconded by Mrs. Ruggieri. The vote was taken:

NO. 12-1-12 – RESOLVED, that at the recommendation of the Superintendent, the resignation(s) of the following certified personnel be accepted:

Ginny Anne DelGreco, Teacher

Western Hills

Effective Date – February 1, 2012

Mrs. Ruggieri Yes Mrs. Culhane Yes

Mr. Bloom Yes Mr. Lombardi Yes

Mrs. McFarland Yes Ms. Iannazzi Yes

Mr. Traficante was absent with cause.

Public Budget Work Session:

Speakers to address the budget:

Annette Bourne, 51 Community Drive:

I was so pleased to see that budget last time and I have to tell you for the 7 of us who stayed here and come, it made me feel good that I haven't wasted whatever number of hours and years and weeks and months that it's been. Try and bring it back as much as you can and keep it all in balance. Thank you.

Mr. Tomlins

Spoke on a personal matter.

Chairperson Iannazzi announced that Mr. Nero is out of town attending a conference out of State and that is why he is not present here; however, he left it in the more capable hands of Dr. Lundsten. Also, we left the last meeting with the understanding that Mr. Balducci was going to elaborate more so he is going to speak at this time.

Mr. Balducci

Thank you for the opportunity to wrap up Mr. Nero's budget presentation. As we mentioned at the last meeting, we're doing something a little different with the Athletic proceeds. We are removing the revenue of approximately \$43,000 off of our budget to be placed in a separate account but at the same time we are moving approximately \$63,000 of related expenses out of the budget and putting into a separate account as well. From a main operating budget standpoint, that's a net savings of approximately \$25,000. In so doing we are allowing our Athletic Director more control and more flexibility on how he spends his money. In the past we used to budget \$43,000 but if Mr. Traficante had a good year at the gate; for example, he took in \$60,000, I would at the end of the year use the additional proceeds to help balance the bottom line. On a go forward basis if Mr. Traficante has a good year, he gets to keep the extra money and use it as seed money to go into next year and to basically look at his operations to see where he feels that money should be

spent. That is the main reason why we are doing this.

As a secondary reason, the Rhode Island Dept. of Education is requiring all School Districts to now create the separate fund. At the same time, we are allowing our Athletic Director more flexibility in his budget.

Mr. Lombardi's question to Mr. Traficante, Athletic Director

When you sponsor the Interscholastic League Soccer playoffs, is that a revenue item for the schools or a revenue item for the City. Mr. Traficante answered that anything that we host in Cranston Stadium for the RI Interscholastic League, they pay a rental fee to the City of Cranston for field usage and as a result, all gate proceeds go to the RI Interscholastic League. Currently we do Field Hockey, Boys and Girls Soccer and all four Super Bowls.

Mr. Balducci

One more comment on the Athletic change, we are still responsible for all coaches salaries, all stipends and all payments made to referees. What Mr. Traficante will now be responsible for is all supplies, equipment and those type of expenditures that he will have more control of.

Mr. Balducci

Before you is one of three slides that we did not have a chance to discuss the other evening. This should be on Page 9. We are taking

next years proposed budget and then we are making assumptions six years out. For the most part, you will see that most of the revenue categories are level funded. Two of the more important lines are State Aid and City Appropriation. State Aid is being moved forward by the Fair Funding Formula. In next years budget we are proposed to receive approximately \$3.2 million. We are making the assumption that we will continue to receive \$3.2 million for each year thereafter until the seven years of the Fair Funding Formula is completed. We are on the positive side of that equation. Some districts are losing money; Cranston Public Schools are actually gaining money. (See Handout #1)

The other key component is City Appropriation. Mr. Balducci explained this column to the committee. The annual increase is tied to those areas where we have told the City, beginning last year that we have little to no control of: Special Ed., Tuition Increases, Pension Increases and Utilities.

Mr. Balducci explained the far right column called % Inc. to the committee. We are looking at a higher % rate in the Medical Insurance, Unemployment, etc.

At the very bottom, there is a Surplus/ (Deficit) on a go forward basis.

Mr. Balducci pointed out significant surpluses; which is important to realize that in these projections we are taking into consideration our obligation to pay back the City approximately \$1.5 million. Built in this forecast is that obligation. This year is year one; next year is

year 2; we have three more years there after. That's the reason why there are some significant jumps in the year end surpluses once the obligation is paid off.

Members of the School Committee who have questions on the budget:

Mrs. McFarland

On page 14 of the budget presentation itself, the deficit reduction is the \$1.5 million and then you show the debt restructuring. Can you explain the two of them?

Mr. Balducci

The \$1.5 million is our obligation that we have to pay back to the City.

The Debt Restructuring is an account that we created in this year's budget. When we were making our final budget adjustments, we had to take into consideration a \$1.5 million loss in City Appropriation that they did not fund us. We were able to get that \$1.5 million down to approximately \$1 million; however, it has climbed to \$1.2 million because some of the concessions that we were hoping to receive from bargaining groups did not materialize. We had to make that adjustment. A discussion ensued.

Mr. Lombardi

More importantly we're looking at; you're projecting almost a \$5

million surplus in fiscal year 16-17 and over \$5 million in 2017-2018. The restoration of many programs may certainly be a reality rather than a fantasy.

Ms. Iannazzi

To summarize, if we did not have the debt repayment in the 2012-13 budget, we would be looking for approximately \$20,000 from the City. Mr. Balducci answered yes; however, as we finalize this budget, I think we could tie in our entire City Appropriation request to what we define as uncontrollables.

Mr. Bloom

We've shown restructuring in the current year; the 11-12 budget. Has that been shown back in here? Right now it's not being shown as anything. Isn't that something that we have to put on the back end of the re-payment schedule depending on how things get ironed out with the City? Mr. Balducci answered that there is a possibility, yes. He noted that he did move it forward into next year's budget as well because as you mentioned we are still ironing out how to deal with that so it is an issue we will have to deal with in the next year's budget as well.

Mrs. Ruggieri

The issue with Sewer Charges which keeps reoccurring in the budget; on Monday night there was a resolution placed in front of the City Council looking for a consolidation but was actually asking us to

add on to what we are already doing. I would like to go back to them to reiterate what the original agreement was to make sure that we're not doing that; in addition to that, the sewer charges for Hope Highlands School were \$17,000? That was the most expensive sewer charge out of any of our schools and that seemed to be excessive and does not make sense. This is page 37 of our budget.

Mr. Balducci noted that he will get that answer to Mrs. Ruggieri in the Friday Update.

Mrs. Ruggieri

There was also a resolution that was placed before City Council several months ago where they made an adjustment in the City Budget to increase their utility payments because of the spike in utilities; a motion was made to make the same request for the school side budget and that motion was denied. I think that, as a committee or as the administration, we should place a resolution back to the City Council recommending that if they're adjusting their City Budget to do an increase in utilities; shouldn't they afford us the same courtesy.

It's the same issue that they were having with these uncontrollable expenses and they're adjusting the City Side; we are part of the City Budget and we should be adjusted accordingly.

Mr. Lombardi

Can we get an answer on an issue of a trade off of the custodians doing our fields in exchange for the City picking up the tab for the

sewers? Now what the Council did was to add three more fields to our requirements for our custodians and charging us sewer.

Ms. Iannazzi commented that our attorney, Mr. Cascione, has to respond to that and update them that the RFP did not contain those three schools and therefore our custodians will be unable to add additional job related requirements to their description.

A discussion ensued regarding this issue.

Mrs. Ruggieri pointed out that the school department is getting charged much more than the other buildings in the City and we need to address this.

Mrs. Ruggieri

The School Committee had left RIASC but there is still an item for School Committee fees and dues and I'm wondering what those are being paid to. Also, the School Committee General amount; a small dollar amount.

Mr. Balducci

The dues and fees are for the NESDEC Association which we are a member of. These are the annual dues that we pay on behalf of the district. The School Committee General Account is an account, as a body, if there is an expense associated with the board going to a conference; there is a fee associated with it so we set aside the

money to accommodate it. It's not a large line item but we want to make sure that we can accommodate it as best as we can.

Mrs. Ruggieri

The part time salary of ELL teachers tripled for the upcoming year and I know that our population has increased but where is the majority of that funding coming from.

Mr. Balducci

As Mr. Nero mentioned, we are hiring an ELL Coordinator; unfortunately it is just miscalculation of the account. That's the account that I use to budget for the new position of approximately \$95,000 per year. The description will be adjusted.

Mrs. Ruggieri

There is also an increase of \$310,000 in the Horton Program and I understand that the West Bay Collaborative took that program over but why such a drastic increase?

Mr. Balducci

The overall compensation to the West Bay Collaborative is approximately \$420,000; \$120,000 which is being paid for by the IDEA grant. From your main operating budget stand point you have to budget the difference of \$300,000. When we reconciled this year's

budget; that decision was made after the fact. I will make some budget accommodations to the budget to pay for that bill; but from a budget stand point, there's no budget dollars this year in that account so far on the budget line item I use. It's going from \$0 - \$310,000. As I reconcile the budget I will make those adjustments and pull funds from other sources that we have running surpluses to accommodate that expenditure. A discussion ensued at this time.

Mr. Balducci noted that on Page 15, the \$300,000 was spent to run the program and the \$100,000 is to accommodate the in-house expenditures that we're incurring for this year and then moving forward there are some expenditures that I will no longer have to incur next year but in place of that, I will have to pick up the expenditure of the West Bay Collaborative.

Mrs. Culhane

Looking at the Budget, there are lines for Actual Adopted Proposed Amendments and then there is one for Adopted but we haven't adopted anything yet; right after that is increase. Are you holding these in abeyance until we adopt?

Mr. Balducci

The column you have in front of you was the 2012-2013 proposed and at some point this body will adopt a budget so if there are changes, I will make them in the amendment column and then basically move that over to an adopted budget.

Mr. Bloom

There is a significant increase in the utilities over last year's expenses. I did note that many of the expenses in a number of the buildings have been moving from oil heat to gas heat. We still have a significant increase for the year; over 10%. Could you prepare an analysis that summarizes all of the utility accounts across in the oil and gas for various buildings and indicate which ones have been switched over from one to the next. The increase seems very high. I'd like to see an overview of all of the utility expenses so that we have a good handle on that. Mr. Balducci noted that he would get that to Mr. Bloom.

Mr. Bloom

The medical increase, in summary, seems to be in total below trend, which we are forecasting at 4%. Is there a particular explanation for that?

Mr. Balducci

In consultation with the Executive Director of the West Bay Health; he is of the opinion, based on our track record so far for this year, our increase could be anywhere between 0 – 3. As the Superintendent mentioned we actually took a 3% adjustment into next year. You are correct; it is 1% below the forecasted amount of 4%. We don't know why. From a budget stand point, we did exercise 3% going into next year but time will tell. Mr. Bloom requested what the increase would

be if we were at trend so that we can make a decision as to whether or not we want to incorporate into the budget as more reflective of what history has been instead of bad luck.

Mr. Bloom

Do we have any information on pensions in terms of what the contribution rates would be for years beyond this particular year?

Mr. Balducci answered that he does not; there is a report that has come out as part of the General Treasurers Pension Reform and he does have a copy of that. He does not see any forecast for those figures.

Mr. Bloom

The contract for Nursing Services in Department 90; those were quite substantial increases of \$50,000 or \$60,000.

Dr. Lundsten answered that we have additional children that require services of either a full-time nurse in the building due to their medically fragile state or students who are out-of-district placements that we are required to have a nurse with full-time.

Mr. Bloom

The property insurance is up another 10% and has been on a steady increase. Are we self-insured under that? Mr. Balducci answered

that we are not; we are part of the RI Interlocal Risk Management Trust Organization; it's been his experience just from one year to the next, from a budgeting standpoint, to increase to 10%. That is an area that as we move this budget along, Mr. Balducci is not sure if he will get the information by the time the body adopts the budget but as we prepare our hearings in front of the City Council, we will have a more accurate assessment of what the increase will be. From last year to this year, the good news is that it was a 0% increase. Our forecast is only on a one-year basis; it's determined on how bad of a claims history we have and on a go-forward basis.

Mr. Bloom

Is there anything in the budget regarding textbook replacement?

Dr. Lundsten

There is a line-item for approximately \$78,000 for Instructional Supplies and Resources. Part of those monies will be allocated for textbooks including replacement textbooks and Music books for the Music Program. Approximately \$45,000 of that \$78,000 will be used to start to replace textbooks. Mr. Nero has requested of me a five year plan so we will align it with a lot of the new common core standards and the materials and supplies are going to go with that as well as the new Science Curriculum. We've got a plan and we're going to keep adding to it and keep this surplus rolling and you'll see the line increases so we can continually roll out new materials. We will be replacing Anatomy and Physiology at the high schools. We're

looking at \$60 - \$70 per textbook for that type of replacement. I'm hoping to have this plan ready by May so that we can forecast out and be very intentional about how we do this so that we're supporting the teachers; we're making sure that we're giving teachers the resources that they need to roll out these new standards and meet the requirements.

Mr. Bloom

The Superintendent had talked about Asset Protection. Could you elaborate on what's included in this budget for Asset Protection?

Mr. Balducci

There is a \$50,000 line item that Mr. Zisseron and the Superintendent use for emergency purposes. As we go into the fiscal year, there are issues that we have to deal with. We do budget for \$50,000 so that amount was brought forward. We also have the replacement of the intercom system at Western Hills that is being accommodated for in this and also the on-going inspection and the repair of the secondary gymnasiums on a go forward basis. We have the normal \$50,000 that we set aside; the intercom and the gymnasiums.

Mrs. McFarland

In regards to what we are submitting to the City for Capital above the Asset Protection area. One of the concerns that I have is Stadium School. I know it was voted down by the Council last year to repave; however, the wall is starting to now fall towards the sidewalk. What

happens when the wall actually falls into the sidewalk? We have not done anything to maintain it. The Council person, Steve Stycos, has a concern with that. At this point, we really need to address that before it actually falls on a student or somebody else walking along the sidewalk.

Mr. Balducci noted that he has made a note of this request.

Mrs. Ruggieri

When we have the budget appropriation; the funding proposals on page 12; on number 6, I'm concerned that we're categorizing the increase in pension and the increase in utilities under non-maintenance of effort increases. I'm just concerned that we're putting that under the title of Non-Maintenance of Effort increases. I think it would be more appropriate to be under something like uncontrollable cost increases so that it's not tied into Maintenance of Effort when we want it to be part of it when we handle it.

Mrs. Culhane

I noticed this last year; the question about the textbooks; I know that student did come forward and I know that Dr. Lundsten is working on his concern but I think that it should be noted that last year there were also line-items at every single school for an increase in textbooks and consumables and such. I think that a lot is made about the fact that the textbooks are falling apart and we never buy

any new textbooks; however, both last year and this year there have been line items at every school to replace at least some sort of textbook or books and I think that's a little detailed because the number isn't huge at each school but it is something. The books are very expensive; sometimes they may be used books that are purchased but we have been addressing that over the last couple of years. I think the public should know this. There's a lot that goes out there that says their school doesn't have any textbooks or students will come home and they make comments about that and I think one thing that people should also realize is that there are so many students and so many classes and classrooms; the department chairs would normally bring that to the attention of the administration if they had a concern about it so while your students may be concerned about it, it's something that if you do have a concern you should talk to the teacher about it to bring it up to the Department Chairperson because they may not be aware of it or it may not be a great enough concern as maybe the students sometime see it to be.

Dr. Lundsten

I'm the one who does the requisitions for the textbooks and I can assure you that we did replace textbooks last year. We also take into concern; certain years in August we hit a bump and we have a shortage of books. We actually go out to the other principals; we loan books back and forth. When we cannot find those textbooks, we will order them and have them come in and get them out to the buildings. We do make those adjustments throughout the year and

even most recently someone said they were short a couple of books, Mr. Nero will sign off on that. He continually tells me not to spend money but that's one thing that he will sign off on to make sure those students have the textbooks that are required.

Chairperson Iannazzi

That concludes our Work Session. We already took Public Comment.

Our future meeting date is Monday, January 30th at 6:00 p.m. here at Western Hills.

A motion to adjourn the Work Session was made by Mrs. Culhane and seconded by Mr. Bloom. All were in favor. The meeting adjourned at 8:50 p.m.

Respectfully submitted,

Frank S. Lombardi

School Committee Clerk